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THE WHITE HOUSE

WASHINGTON September 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHO

Enclosed herewith is the draft for the DNC Dinner speech. I think it is a good Democratic speech which incorporates the things you have been saying on your trips and hits the theme that we Democrats are for a lot of things but we are also for getting control of the budget and cutting waste. It will make them proud of their record.

The first few pages are mostly introductory remarks which you will want to revise. Some people who also need to be recognized are included in the text tied to legislation, such as Mo Udall when you talk about Civil Service.

The jokes are from the speechwriters and I have indicated which ones should, in my opinion, not be used. It is a lean collection. I will try to get some for you from my own sources by tomorrow.

DNC/CONGRESSIONAL DINNER, September 27, 1978

Thank you Diana Ross -- I was very touched to think that so many people would come out to hear me speak - now I know why they really came.

I'm very happy to see you all here -- especially our great Chairman, John White. Some people say John is shy and retiring -- shy about two million dollars, and that's why he is thinking of retiring.

Well it looks like John can relax. Thanks to Evan

Dobelle's fine job on this dinner, thanks to Chuck Manatt's

cheery year-round arm-twisting, thanks to the great work

by everyone on the DNC staff, I guess we can stop worrying

about the DNC and concentrate on the Federal deficit.

It's really wonderful to be here tonight with so many old friends as well as some members of the Senate Finance

Committee -- (pause) I was going to say the Natural

Gas Committee, but the Senate did the right thing this afternoon so we can all lean back and celebrate tonight.

We've got a lot to celebrate. This is really a State of the Reunion speech -- it's just like 1976 all over again, and we're going to win again.

Now, if I could just get Bob Strauss, George Meany and the NAM up to Camp David, we'd really have it made.

Strauss says the only reason I didn't take him to Camp David the first time is because I wanted to be the Star of David.

That's not true. I told him I'd invite him as soon as he gets the price of birthday cake down under a thousand dollars.

My mother called up to wish me a Happy Birthday. She said ever since the new Pope had picked the names of his two illustrious predecessors, she'd been thinking maybe I should change my name too. So I asked Rosalynn how she liked the sound of Franklin Harry John Lyndon.

That's really what this celebration tonight is all about, friends. We are here to salute our illustrious predecessors; we are here to honor our common beliefs -- to pay homage to the principles and the people who have made the Democratic Party the great force for progress it has always been.

Two years ago I travelled this country promising a government as compassionate and competent as the American people.

Our party has always been known as the party of compassion. In the last two years we have proven that we are also the party of competence.

We have proved that the Democratic Party is the party of fiscal responsibility.

Republicans talk about tax cuts; Democrats make them.

Republicans talk about balanced budgets -- and run up

huge deficits. Democrats draw up responsible budgets -- and cut back inherited Republican deficits.

That's what my Administration has done and -- in one more year of responsible administration -- we'll have cut the sixty billion dollar budget deficit we inherited from the Nixon-Ford years in half.

Once again the Democratic Party is meeting the people's needs. Once again a Democratic Administration is putting our national house in order.

We are a party of problem-solvers -- and it's a good thing because the Republicans left us plenty of problems to solve.

Any man lucky enough to be President and smart enough
to be a Democrat knows his success is based on our long party
history of great national -- and international -- purpose:

-- the desire to assure peace and liberty throughout the world;

- -- the desire to help those who are poor, weak and inarticulate;
- -- the desire for strong, sustainable, economic growth;
- -- the desire to protect our God-given natural beauty, our pure air and clean water;
- -- the desire to keep power where it belongs, in the hands of our people -- young and old, consumers and producers, wage-earners, farmers and city dwellers alike....

Our party reaches out to all the people, and we bring them into our hearts and into our political organizations.

That is the essence of the Democratic Party, the party of Jefferson, the oldest -- and the youngest -- political party on earth. That's why our party produces great leaders like my colleagues Fritz Mondale, Bob Byrd, Tip O'Neill, Jim Wright, Alan Cranston and the rest of our great Democratic leadership and Committee Chairmen and Congressmen and

Congresswomen.

We need them all back with us in January, and that's another reason we have gathered here this evening.

We've done a lot since 1976. You can be proud of this

Administration and this Congress. But great tasks lie ahead -
our work is not done. We need every one of our great Demo
crats back here in Washington to keep our resurgent America

on the move; to help the party of the people do the job the

people want done.

And they'll be back.

Our people won't forget the Congress that finally acted responsibly on energy. Our consumers won't forget the Congress that introduced free enterprise to the airline industry and lowered prices for everyone.

Our taxpayers won't forget the Congress that finally put the work ethic back into the Civil Service -- and \underline{we} won't forget what we owe Mo Udall for the magnificent leadership that finally put this bill over the top.

Our farmers won't forget the Congress that delivered a responsible and productive farm policy.

Our citizens have a healthy respect for the Congress that bit the bullet on Panama; the Congress that came through on the tough arms-sale decisions -- decisions that helped this Administration lay the groundwork for peace in the Middle East -- and we're going to have that peace.

I'm proud that no American has lost life or limb in a foreign war since I have been in the White House. I intend to maintain that record so long as I am President. I intend to leave office with that record intact, and with a firm foundation laid for a just and permanent peace throughout the world -- you can depend on it.

The people won't forget the Congress that helped shore

up crucial partnerships with our historic allies around the

world. They won't forget the Congress that worked with me to

and our should.

strengthen our NATO defense, And they won't forget the Congress

that helped restore the moral authority of this nation.

These are the promises I made to the American people two years ago. They were part of our Democratic platform.

Two years ago I promised the American people that we would get control of the unemployment problem -- and we've done it. There is only one answer to unemployment. Jobs. We got them. Six million of them. Twenty-five percent more Americans are off unemployment and on the job today than on election day, 1976.

Two years ago I promised the American people a responsible government -- a government that was lean, efficient, and manageable -- and that's what we're giving them.

Two years ago I promised the American people that we would get control of our bureaucracy, restore incentives and the work ethic to our Civil Service system; let our managers manage; get rid of dead wood and bureaucratic bottlenecks; give our public servants a new vision of dedication and

service -- and that's what we've done.

Two years ago I told the American people that we Democrats believed competition and market forces should determine prices -- and we've proved we meant what we said with the airline deregulation bill.

Two years ago I said Democrats believed in a free economic system with minimum intrusion by government -- and we've proved it by eliminating regulations almost as fast as the other party used to write them -- and rewriting the ones that are left in plain English.

Two years ago I promised to maintain our national security and keep our nation strong -- and we have done that. The defense establishment has never been so strong.

But we've done more than guarantee our security.

We've cut wasteful military expenditures. We've put in a superb new management team to head our military establishment.

We've brought our strategic thinking into the 21st century.

So long as I'm President, America will continue to be the strongest nation on earth -- you can depend on it.

But that's not all we've done. Two years ago I said peace is not merely the absence of war. Peace is the unceasing effort to preserve human rights. We have made that effort. There is not a day when I have been President that we have not sought to narrow the gap between the values we hold most dear as a people and our action abroad in the world.

Our goal is freedom and peace and justice for all.

That is America's most cherished purpose -- and we are

strong in pursuit of it.

Two years ago I said we would have a government that acted responsibly -- an open government, a government that does not spy on its own citizens, that respects the rightful privacy of every individual and the Constitutional freedoms we hold dear. We have kept that promise.

I said two years ago that we would eliminate fraud, waste and corruption in our government -- and we are doing it. Not overnight -- it took a long time to create the mess we inherited and we can't get rid of it in one year -- but we'll get rid of it, you can depend on it.

Two years ago, I promised the American people that we would get control of our runaway energy problem -- and at long last we have the tools to do the job.

I want to give special thanks to Lud Ashley and Phil Sharp for their labors on the natural gas bill, and to Senators Jackson, Muskie and Bob Byrd for their great leadership role in the Senate.

Two years ago I said we would act responsibly and restore integrity to our Social Security system. We have kept that promise.

Two years ago I said my Administration would have

Page 12 --

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Two years ago I told the American people that we had to bring our Federal budget under control. The last full year before my election, the budget deficit was 66 million dollars. We cut that deficit to fifty-one billion my first year in office. We'll get it down to forty billion dollars this year, and we are going to significantly cut it further next year. And we are going to keep right on cutting just as fast as the strength of the economy permits.

A

As per Schultze + Ruphwon an urban policy to revitalize our cities through a "New Partnership" of local, State and Federal government. We have that policy.

(Insut A-A, attadud)
Two years ago I promised to bring minorities and

women into our government. I have kept that promise.

Two years ago I told the American people that we had to bring our Federal budget under control. When I made that statement the projected Federal deficit was in the high sixties of billions of dollars. We cut that deficit to fifty-one billion my first year in office. We'll get it down to forty billion dollars this year, and we are going to try and get it down to the low thirties by 1980.

And we are going to keep right on cutting just as fast as the strength of the economy permits.

we kept that promise. We kept it while cutting unemployment by one quarter and -- with the help of the

Congress -- while delivering a tax cut of twenty billion dollars to the American people.

This is the kind of fiscal responsibility the

American people deserve. Not the Kemp-Roth scheme; not

meat-axes, but the care and the foresight to meet our

people's needs while balancing the nation's books.

For too long Democrats have suffered the undeserved reputation of "big-spenders". We're not big spenders, we're prudent spenders.

Of <u>course</u> Democrats believe in service -- but carefully-budgeted, efficiently-delivered service. We can cut crime, build roads, deliver jobs and feed our people without huge deficits if we get rid of waste and bloat in government.

This is responsible leadership. This is sound fiscal policy -- and the American people know it.

For the first time in political history, last month's Gallup poll showed that twice as many of our people believe that Democrats are fiscally responsible as believe Republicans are fiscally responsible.

That is a good reputation to have and we are going to keep it, you can depend on it.

We still have a lot to do.

We are getting control of our energy problems. We are getting control of the bureaucracy and bringing a new efficiency to government. We are taking control of foreign affairs. Our nation is strong again; proud again -- secure in its place in the world.

And we have made a good start on the most difficult task of all -- solving our economic problems -- in the areas of unemployment and budget deficits. Now it's time to put all our energy into solving the most intractable and corrosive problem we face -- inflation. Inflation

hurts every one of us, not just the poor, not just the elderly.

Very soon I will announce a new package of antiinflation measures. They will be tough, they will
require sacrifice -- from business, from labor, from
every segment of our society. They will be tough -- but
they will be fair.

Last year I urged the Congress to help fight this battle. The best birthday present I could get from the Congress is action on hospital cost containment. This is how the Congress can show its determination to join the fight against inflation. This is the most pressing of the hundreds of large and small restraints that are necessary to win this battle.

We will win.

This is the future of our Democratic party -- a future in which we maintain our vision while governing with prudence and responsibility.

We will meet our nation's needs -- and pay our nation's bills. This is our challenge and our goal.

I am proud of what we have achieved in the past year and a half. I am proud of the groundwork we have laid for future achievement.

But there is more to do if the United States is to realize the full promise of our people. We cannot rest on past achievement, we cannot be complacent.

We have work to do.

As Justice Holmes said, "We must sail sometimes with the wind, sometimes against it, but we must sail and not drift or lie at anchor."

Thank you for being here, thank you for sharing my birthday; thank you for supporting these fine members of Congress, and thank you most of all for sharing the goals we will realize together. You can depend on it.

THE WHITE HOUSE

WASHINGTON September 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JAMES FALLOWS, JERRY DOOLITTIE

SUBJECT:

Jokes for DNC Reception, Sept. 27

for your consideration, for your consideration, series of jokes directed at the Republicans.

- I know a thousand dollars a plate seems high, but the purchasing agent for the banquet was GSA.
- 2. I knew we were in trouble over the General Services
 Administration when Amy came back from school one day and
 said the kids were playing Cops and GSA.
- 3. She said her teacher was reading them a new story. It was called "Ali Baba and the 40 building managers".
- President Johnson used to say he liked small parties, and the Republican Party was just about right.
- 5. There are only 12 Republican Governors, for example. The GOP Governors' Conference is the only nation-wide organization in America that can hold its annual conventions in a jury box.
 - 6. There are practically as many Republican Presidential hopefuls as there are Republicans. You wouldn't think there'd be that many volunteers to man the bridge of a sinking ship.

OK

- 7. Ronald Reagan is one of the front-runners. He's the prophet from California. His best-known prophecy was that the world would come to an end if the Senate ratified the Panama Canal Treaties.
- 8. Reagan felt strongly about the matter because he was the first man to discover Panama. He stumbled across it while he was exploring Florida during the primaries.
- 9. Two of the leading Republican contenders are former football players. Jack Kemp quarterbacked for the Buffalo Bills and Ronald Reagan played for Notre Dame -- which was located in Hollywood at the time.
 - 10. The Republicans are pushing the Kemp-Roth plan, which they say would increase government revenue by cutting taxes one-third. This is called the Laffer Curve, for obvious reasons.
 - 11. The longest bomb Jack Kemp ever threw was the Kemp-Roth bill. But he won't give up, even though Congress batted it down. Now he's flying all over the country to plug the idea, in a plane called the "Republican Tax Clipper". Reagan is helping, too. He's always wanted to win one for the Clipper.
 - 12. Actually, the Republicans are having a lot of trouble with that plane. It has a tendency to fly in circles without a left wing.
- one better. They've discovered how to transform tax cuts into a budget surplus.

- 14. A Republican's idea of tax reform is to make country

 of clubs tax-exempt.
- 15. The last time the Republicans showed any concern for the working man was when they got all upset about the plight of bartenders if we killed the three-martini lunch.
- 16. The Republican answer to unemployment is bigger tax breaks for millionaires. That way, they can hire more maids.
 - 17. The basic Republican theory of taxation is called "Stroke the Rich."
 - 18. This is called the "trickle-down" school of economics.

 Hubert Humphrey used to explain it by saying that if you feed enough oats to the horses, eventually the sparrows get something to eat.

#

More jokes:

(After Mondale opening) Tahnk you Fritz. Of all the witty, compassionate, clever, intelligent introductions, yours is certainly the most recent.

Can't use yet.

2. I remember the noted Englishmen Lord Balfour, who said when asked to give an address that his was Number 40, Carlton Garden. Well, mine is 1600 Pennsyvlvania Avenue and with your help I plan to stay there awhile.

3. I see Bob Strauss in the audience. Bb Bb Bob is

4. Certail Ford was on Good-Morning America today and he was asked if any Republican could beat me. He replied that a number of them could. Unfortunately for the Republicans, our system doesn; t permit us to vote for a number. They have to pick a real person.

written about Bob Strauss. This morning I read that he was the description best trouble shooter in the administration. That he was the only person I had who had policiteal sensitivity, economic intelligence, There was More. and personal savoir-faire. If your're interested in hearing the rest, I'll be happy to sahre Strauss' memo with you.

- 1. By all reports, my ratings have gone up in the polls.

 I had stopped paying much attention to the polls for a while....

 In fact, the only "Pole" that I found agreeable was Zbigniew

 Brzezinski.. and even there, not all the time.
- 2. The Congress had done a superb job in trying to dispose of so much controversial legislation during this session. What with the energy bill and the tax bill...the Congress is torn between controlling gas and giving relief. Perhaps, the best thing to offer them is a package of Rolaids.
- 3. There have been all sorts of suggestions for special Summit meeting at Camp David since my 13-day stay with Begin and Sadat. In fact, I thought I'd have Ray Marshall and George Meany go up and settle the questions of the P.L.O.....the President's Labor Opposition.
- 4. Actually, the only things about Camp David that Mr. Meany approved of was the three separate Sabbaths that we observed. He thought we meant that we endorsed the four-day work week.



- 5. (After Fritz's opening) Thank you, Fritz, for that wonderful introduction. You know when I left for Camp David, I told the Vice President that he was going to be the Acting President. Well, when I got back, he was in the Oval Office, sitting behind my desk, using the telephones. He jumped up when I walked in and said how glad he was to see me back. I concluded that he didn't learn much about being President but he sure learned a lot about acting.
 - Right after the East Room ceremony following the Summit,

 I called my mother to get her reaction. Her only question $\int_{\mathcal{L}} d_{\mathcal{A}} t$ was "Jimmy, is Prime Minister Begin married?"

THE WHITE HOUSE WASHINGTON

The call to the President will come between 1:15 and 1:25 pm.

The call will be placed from the VP's office in the Capitol, attending will be the Veep, Frank Moore, Senators Byrd and Jackson, and Secretary Schlesinger.

Kevin

THE WHITE HOUSE

September 25, 1978

Points to make in Presidential Statement following Senate passage of the Natural Gas Compromise

* I have just spoken to Senators Byrd and Jackson--the vote was____ to ___. I publicly thank these
Senators and _____ for the outstanding jobs
they have done in seeing this legislation through
passage.

Frank moure out

- * This vote represents a significant victory for the national interest of our country. It proves once again that people representing vastly differing regions of the nation, can come together to make difficult decisions when they know that those decisions are in the best interest of the American people.
- * This has been a hard fight for good people on both sides of this issue. The fight over natural gas has been going on for over 30 years, and today the United States Senate has taken a giant step toward resolving what has been a divisive issue for our people.
- * The Senate vote today will serve as a clear sign to the rest of the world that the United States has the strength of will and determination as a people to face up to, and conquer, our serious energy problem.
- * I look upon this vote as a real beginning. Within a few days the Senate, and the House, will complete final action on the other four sections of this vital energy legislation. We will soon, for the first time in our nation's history, have a blueprint for progress in energy. Our allies and trading partners around the world will have a clear indication of our intent in this area, and those who have thought the dollar weak because of our oil import deficit will see that this nation is dedicated to alleviating that problem.

* I would also like to congratulate the Vice President, Secretary Schlesinger, Frank Moore and the other members of my Administration who have worked so hard and long for this victory.

THE WHITE HOUSE

27 September 1978

MEMORANDUM FOR

ATTORNEY GENERAL GRIFFIN BELL CHAIRMAN ALAN K. CAMPBELL

Re: Civil Service Reform Legislation

The President has reviewed all of the memoranda submitted to him on this issue and has decided to support the general position of Chairman Udall that the FBI not be allotted a specific number of supergrades in the Civil Service Reform legislation but be part of the pool of supergrades. The President also stated that under the administrative authority granted to him by the legislation, he would exercise his administrative authority to accommodate the needs of the FBI for supergrades at the appropriate time. The President would also use his administrative authority under Title I to accommodate the concerns of the FBI and Attorney General.

Rick Hutcheson Staff Secretary

Ach Hutches

THE WHITE HOUSE

washington September 26, 1978

MEMORANDUM FOR:

RICK HUTCHESON

FROM:

STU EIZENSTAT

SUBJECT:

Comments to be relayed to Judge Bell and Scotty Campbell re Civil Service Reform

Legislation

The President has reviewed all of the memoranda submitted to him on this issue and has decided to support the general position of Chairman Udall that the FBI not be allotted a specific number of supergrades in the Civil Service Reform legislation but be part of the pool of supergrades. The President also stated that under the administrative authority granted to him by the legislation, he would exercise his administrative authority to accommodate the needs of the FBI for supergrades at the appropriate time. The President would also use his administrative authority under Title I to accommodate the concerns of the FBI and the Attorney General.

Porti-type or is

WASHINGTON 9/25/78

Stu Eizenstat Frank Moore

> The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

> > Rick Hutcheson

THE WHITE HOUSE WASHINGTON

11:45 a.m. 9/26/78

civil service reform conference now going on

taking a break to try to get our position on fbi issue (whether or not exempt)

holding up...if can look at next and make decision asap would be appreciated because they're holding up until they get our position.

-- stu eizenstat

Electrostates Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 23, 1978

intend to use my exemption power

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT SI LAZARUS

SUBJECT:

Summary of Memos on FBI Treatment in Civil Service Reform Bill

Rick Hutcheson has asked us to summarize the attached memoranda by (a) the Attorney General and the Director of the FBI, (b) Scotty Campbell, and (c) Frank and me regarding our posture in the House-Senate civil service bill conference, on two issues about the treatment of the FBI in the bill. While we have completed this summary at Rick's request, we would point out that you may want to read the attached original memos, because both the Attorney General and Mo Udall feel very strongly about the issues at stake.

As you may recall, on July 18, you decided, in response to memos from the Attorney General, Scotty, and ourselves, to retain the Administration's original position -- covering the FBI with most portions of the civil service bill, subject to Presidential authority to grant administrative exemptions to the Bureau. (The Senate committee had previously exempted the Bureau from the Senate bill.) The FBI strongly opposed your The Attorney General, through a conversation with decision. the Vice President, concluded that you had changed the Administration's position on the merits of the issue, whereupon Justice Department representatives joined the FBI in lobbying for exclusion from the House bill. Ultimately, Mo Udall decided after discussions with Peter Rodino and other FBI supporters, to exempt the FBI from the entire bill, with two exceptions: (1) the FBI's supergrade pool to be administered by the Office of Personnel Management (OPM), rather than retaining their current statutory quota of supergrade slots; (2) the FBI should be subject to Title I of the bill spelling out "merit principles" and "prohibited personnel practices," but with special provisions that permitted the President to either administratively exempt the Bureau or assign enforcement anywhere he wished, e.g., to the Attorney General.

FBI supporters challenged Udall on these two issues on the House floor, but he won, by a large margin, on a roll call vote.

On the merits of the issue, the FBI argues (1) that morale and national security could be undermined if its personnel are covered by the protective apparatus in Title I, and (2) that the FBI will be at a disadvantage in competing for supergrade slots since "so many of the critical personnel functions" performed by FBI people cannot be revealed for security reasons. Scotty Campbell counters that the bill allows the President to exempt all or part of the Bureau from Title I, or assign enforcement authority, as appropriate, and, on the supergrade pool issue, OPM can review the FBI's supergrade allocations with the same security precautions that OMB now reviews the FBI's budget. Frank and I agree with Scotty on the merits.

From a political standpoint, Mo Udall strongly opposes the FBI's position, primarily because of the vigor with which FBI representatives pressed their views on him and his colleagues. He has made it clear to Scotty and to Frank and myself that he expects the Administration to give him support on this issue, as we have on most other issues connected with the bill. Scotty argues that the political debt we owe Udall for his leadership on this bill requires that we continue to defer to him as "the quarterback." Frank and I add in our memo that we continue to depend on Udall's good will to ensure that a good bill emerges from conference before Congress adjourns; House-Senate differences are severe on labor-management and firing procedures, and ultimate success hinges on Udall's ability and willingness to keep Bill Ford in his current supportive mood.

It would be a <u>major</u> legislative <u>error</u> to go against Udall on this issue, particularly since you will have administrative discretion to exempt the FBI from Title I and you could assure the FBI gets the number of supergrades it wants. Udall will also be an important political ally in the future and should not be alienated.

DECISION:

Support	Udall's posit	ion (FBI s	supergrade	pool,	subject	to	specialized
Title I	coverage)	(Campbell	, Moore,	Eizenst	tat)		

Oppose	Udall	(Total	FBI	exemption)		(Bell)	
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If you are inclined to support the Attorney General, you should first call Mo. If you support Mo, you may want to assure the Attorney General that you will use your exemption power to protect the Bureau. (He should not publicize this now with the Conference going on.)



Office of the Attorney General Washington, A. C. 20530

September 18, 1978

MEMORANDUM TO THE PRESIDENT:

Re: Civil Service Reform

I enclose a letter dated September 18, 1978, from Director Webster of the FBI. I concur in his statements.

On foreign intelligence grounds, among others, I ask that you do all that you can to exclude the FBI from this legislation. The CIA and NSA were excluded prior to introduction and we will be faced with mixing foreign intelligence matters into civil service inquiries to say nothing of having foreign intelligence activities reviewed by civil service when we attempt to justify FBI supergrades.

There are other reasons as well to exclude the FBI but I will not detail them.

It is worth noting that I have not sought to exclude other parts of the Department of Justice from the legislation.

Respectfully,

my B. Beec Griffin B. Bell

Enclosure

OFFICE OF THE DIRECTOR



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D.C. 20535

September 18, 1978

Honorable Griffin B. Bell The Attorney General Washington, D. C.

Dear Judge:

I am taking this opportunity, in light of actions taken recently by the House of Representatives in consideration of H.R. 11280, to express to you my concern over the impact this bill would have upon the Federal Bureau of Investigation. As you may be aware, the House took action exempting the FBI, in whole or part, from several provisions of the bill. There remain, however, two serious problems with this measure.

The first would impede seriously my authority to effectively administer the operations of this Bureau. This provision appears in Section 414 of Title IV and has the effect of repealing the statutory authority previously provided the Director of the FBI to appoint up to 140 supergrade positions. By giving the Office of Personnel Management authority over FBI supergrades, the FBI is placed in a position of competing with other agencies for executive personnel, but --since over half its present 140 supergrades have direct operational involvement in foreign counterintelligence matters -- it leaves the FBI at a substantial disadvantage in such competition. In order to compete effectively an agency must be able to justify its personnel needs, but this is impossible when so many of the most critical personnel functions cannot be revealed.

It is of note that the other primary intelligence agencies, the Central Intelligence Agency (CIA) and the National Security Agency (NSA), are not faced with such constraints. The colloquy in the House consideration of the Collins amendment did not present a complete and accurate picture of the status quo. Mr. Udall's statement that "nobody would have an allocated permanent pool of supergrades under this bill" is technically correct. However, the CIA and NSA are left untouched by this bill so that while the bill does not allocate them a pool of supergrades, neither does it affect their present statutory autonomy in hiring and controlling supergrades.



I am pleased to advise you that the Senate, in its consideration of this Act, chose formally to provide the FBI these necessary exemptions and acted to preserve the existing statutory authority providing the Director of the FBI the authority to place positions into GS grades 16, 17, and 18. It is the failure of the House to act in a similar manner to preserve this authority which is of great concern to me and is the basis for my writing you at this time.

The second problem has to do with the so-called "whistleblower" provisions in this bill. Pursuant to an amendment adopted by a voice vote on the House floor on September 11, a procedure was established whereby the President could either exempt the FBI from these whistleblower proceedings in their entirety, or designate another entity to have purvue over the FBI for whistleblower proceedings. In fact, the floor debate indicated strongly that the Attorney General would be the logical and proper designee to whom such proceedings should be referred by the President if he had not opted instead for exclusion. This was our understanding of the House action and it was one which we supported; indeed it was our view that such a provision would be superior to the Senate bill's provisions on this subject.

Upon reading the actual text of the amendment in the Congressional Record, however, we discovered a serious discrepancy in what we understood to be its purpose. Under the text of the amendment as printed in the Record, the authority of the President either to exempt the Bureau or to select a designee is not limited merely to the whistleblower provisions, as we had believed. In fact, the discussion on the House floor related entirely to exempting or designating with respect to the FBI for the purpose of the whistleblower provision.* However, this "exempt or designate" provision actually applies to all of Title I of the bill. It had been our

^{*} Mr. Udall: "With regard to the "whistle-blower" section, the language of the bill now permits the President to exempt the FBI from that section, and based on language submitted to us by the White House today, I think they have worked this out with the Justice Department. If the President does decide to exempt them - and he may exempt them, he will under the language of the bill be required to issue special rules and regulations so that the FBI "whistle-blowers" will be in a position to have some place to go and so that they will have some protection. This will be done through a system to be designated by the President. This would be essentially consistent with the amendments the gentleman from Texas (Mr. Collins) has offered and showed me this morning."

Honorable Griffin B. Bell

understanding that the Bureau would be exempt from Title I of the bill except, of course, as to whistleblowers.

I hope the conferees can be persuaded to exempt the FBI entirely from Title I of the bill and restore the "exempt or designate" procedure only to the whistleblower section. In the event the conferees would not agree to such a change, I think it urgent that the President does in fact exempt the FBI from the provisions of Title I. Otherwise, the Bureau might find itself subjected to the proceedings of the Merit Systems Protection Board (MSPB) including the possibility of administrative subpoenas to the Bureau. In addition, the FBI's being included within Title I would seriously diminish its status as an excepted service" under 28 U.S.C. 536. It is noteworthy that the FBI has enjoyed such an excepted status by Executive Order or statute since 1941.

Sincerely yours,

William H. Webster
Director

erthan Harbo



UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D. C. 20415

September 21, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Alan K. Campbell

SUBJECT:

The Attorney General's Memo on Treatment of the FBI

in the Civil Service Reform Bill

The Attorney General proposes in his memo that you direct the administration to strongly oppose, in the House-Senate civil service reform conference, two features of the treatment in the House bill of the FBI. I have spoken with Mo Udall about these issues on several occasions, before and after House passage of the bill. My impression is that he may be inclined to accede to the Attorney General's position on one issue -- coverage of the FBI by Titles I and II specifying merit principles and prohibited personnel practices -- though this is not at all certain; but he strongly opposes the Attorney General's position on the second issue -- placement of FBI supergrade (SES) positions in the government-wide supergrade pool, rather than giving the FBI statutory authority for its current 140 supergrades. For strategic and substantive reasons, I believe that the administration should defer to Mo on this as we have on substantially all other questions about the bill, and support his position.

As you know, the original Civil Service Reform Bill submitted by the administration on March 2 covered the FBI in most of its titles, subject to Presidential authority to exempt it or any of its sub-units on the ground that they are involved in the conduct of foreign intelligence or counter-intelligence activities. On July 10 the Attorney General sent you a memo recommending that you change the administration position and support statutory exclusion of the FBI from the whole bill; I recommended against this change and on July 18 you decided not to make it. Subsequently, however, FBI and Justice Department representatives began to seek support among House members for statutory exclusion, apparently under the

impression that you had reversed your July 18 position. Confusion about your position on the merits of the issue could not be cleared up because the Camp David summit was in progress at the time.

Mo Udall discussed the issues with representatives of the Justice Department and with Chairman Rodino of the House Judiciary Committee. The outcome of those conversations was Mo's decision to support statutory exemption of the FBI from nearly all aspects of the Reform Act with the exception of the question of placing FBI supergrade jobs in the general pool. This issue was forced to a vote on the House floor by supporters of the FBI, with Udall leading the opposition to such earmarking, and he won by a very substantial margin on a roll call vote. Udall argued that he had resisted pressure for exclusion of other agencies, some of which are directly under the supervision of his own Interior Committee. He believes, and I share his belief, that the allocation of high-level positions should not be specified in statute, but should be a prerogative of the Executive Branch. He intends to argue this position strongly in the civil service reform conference. The Attorney General and the FBI, however, are continuing their opposition to the Udall position as indicated in the Attorney General's memo to you.

On the merits of this narrow issue, I agree with Mo's position -- as 'I continue to agree with your earlier decision about the status of the FBI under other provisions of the bill.

There is no substantive problem with the FBI, like all other agencies, being allocated high-level positions by the Office of Personnel Management under the direction of the President, nor are there any problems of security being compromised by this system. The Office of Management and Budget regularly reviews the FBI budget under appropriate arrangements, and the Office of Personnel Management can do the same in its allocation of high-level positions. There is no provision in the bill which would permit the Office of Personnel Management to have any control over the top management structure of the FBI or to affect the authority of the Director of the FBI to make appointments to such positions.

It is true, as Judge Webster notes in his letter, that the FBI now has statutory provision for a specified number of supergrades, but so do a good number of other agencies in the Government. In fact, over half of current supergrade positions are now assigned by statute. A significant objective of the Civil Service Reform Bill is to reclaim the priority-setting tool reflected in supergrade allocations for the President (where it was originally placed years ago, before individual agencies began to lobby their authorizing committees for special treatment).

Nor is the analogy to CIA and NSA made by Judge Webster persuasive in my judgment. The CIA remains exempt from the supergrade pool under the reform bill; but, unlike the FBI, the CIA has never been subject to the Classification Act and has never had "supergrade" positions at all; it has had a personnel system entirely its own, without the grade classifications characteristic of the rest of the Government.

NSA also has a unique status as an agency engaged exclusively in the most sensitive foreign intelligence activities. The Defense Department and all of its other sub-agencies, including the Army, the Air Force, the Navy, and their intelligence units, are in the supergrade pool under the bill. According to the FBI's published budget, only 30 percent of its activities involve foreign intelligence.

With respect to Judge Bell's second concern -- FBI status under Title I of the bill -- Mo may be willing to yield. We are exploring this possibility.

But the merits of these issues aside, I believe it would be a serious mistake to counter Mo Udall's wishes on either question. As you know, there have been other issues, some of them considerably more important, on which the administration has differed with Mo, but on which we have deferred to his judgment.

I believe the administration owes Udall its support. Without his leadership, there would have been no Civil Service Reform Act this session. Further, you have on several occasions indicated to Udall that we would follow his leadership. Udall was quoted in yesterday morning's Washington Post as saying, "...he (the President) has told me 'you're the quarterback' and gave me rather complete authority to make decisions, including some not so pleasing to the administration." He has made it clear to me that he considers your continued support on this issue important. I believe that we should keep this commitment to him.

If you are inclined to support Judge Bell's position, I strongly recommend that you call Mo to discuss the issue with him first.

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE L. M. STU EIZENSTAT

SUBJECT:

Justice and Civil Service Memo on the FBI under the Civil

Service Reform Bill

We agree with Scotty Campbell's analysis of the merits and politics of the questions raised by Judge Bell's memo, and recommend that the administration defer to Mo Udall's wishes on these issues.

We concur in Scotty's point about the political debt the administration owes to Mo for his leadership on civil service reform, and about the commitment we have made to follow his lead. But more important, in our judgment, is the hard political fact that we continue to need Mo's continued good will, to assure that the bill emerges in acceptable form from conference before Congress adjourns next month.

On the crucial issues before the conference -- diciplinary procedures and labor-management relations -- there are significant differences between the House and Senate bills. In fact, the House version does not clearly fulfill the basic aim of your original proposal to make it more possible than the current system to remove incompetent employees; the Senate version conforms to the administration's aims. Five of the ten members of the House conference committee are likely to fight any resolution which we could view as acceptable -- or which the press would characterize as a victory for the administration. Only if Mo works hard to persuade Bill Ford, Bill Clay, and Pat Schroeder can we be assured of a successful outcome. If their support is not secured, a deadlock could result that would threaten to tie up the conference unless the Senate and the administration make concessions which would severely impair the legislation.

We also believe you should make clear to all participants in this matter that all administration contacts with Mo and other conferees must be approved by Frank or his staff and Scotty, as managers of the administration's civil service reform effort. Because of the vigor with which FBI and Justice Department representatives pressed their views on Mo and other House members prior to and during the floor debate, relations between Mo and Justice are frayed.

Scotty, who has been dealing with Mo continually since you persuaded Mo to take the lead in the House, is the best judge of whether, when, and how it will be productive to seek Mo's support for Judge Bell's position on the Title I issue. (The issue has little practical significance, since, as Judge Bell's letter acknowledges on pages 2 and 3, the House bill empowers you as President to exempt the FBI from the pertinent Title I provisions or to designate the enforcement authority which could mean the Attorney General, for example.) Scotty's judgement that Mo is irreversibly opposed to Justice on the supergrade pool issue is definitely correct, in our view, based on our own contacts with him.

We would also add that any administration effort to counter Mo's position on these FBI issues will be futile; he will certainly retain the support of his House colleagues, as he did during the floor debate. Administration opposition will only serve to further anger him and weaken his support for our other, more crucial aims for a short and successful conference.

Finally, this narrow question has implications for Hill contact on all major Presidential initiatives. July 18 decision (attached hereto) to reject the statutory exclusion of the FBI from the civil service bill, there were reports that FBI representatives worked to persuade Senate and House members to exclude them. Subsequently, the Attorney General concluded from a conversation with the Vice President, relaying your views, that you had changed your position. Justice representatives then vigorously communicated their views to the House, based on that understanding, without working through the civil service legislative task force. This complicated the matter and had the Administration giving the appearance of being split -- with Scotty, Frank's staff, and DPS believing we should support Udall's position (which was closest to your decision of July 18) and DOJ believing you supported an exclusion.

We therefore suggested to Judge Bell that he resubmit this issue to you. We would have no opposition to your exempting the FBI under the authority given to you in the House version, after the legislation passes. To seek a statutory exemption over Udall's opposition would be poor legislative judgment. Since the Senate version does already include the FBI, Udall may ultimately bow to their view anyway. Since Judge Bell feels so strongly about this issue, you may wish to talk with him if you decide to follow our recommendation. You might privately give him assurances on ultimate use of your waiver authority.

Bob Lipshutz concurs with these views.

THE WHITE HOUSE
WASHINGTON
18 July 1978

MEMORANDUM FOR

THE HONORABLE CYRUS VANCE Secretary of State THE HONORABLE GRIFFIN BELL Attorney General THE HONORABLE ALAN CAMPBELL Chairman, Civil Service Commission

Re: Statutory Exemptions for FBI and Foreign Service from Civil Service Reform Act

The President reviewed the memoranda on the abovereferenced subject and decided to make no change in the Administration's position, and did not approve excluding the FBI and the Foreign Service and other provisions of the Civil Service Reform bill.

> Rick Hutcheson Staff Secretary

cc: Stu Eizenstat
Jim McIntyre
Frank Moore

THE WHITE HOUSE

WASHINGTON July 13, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT JU SI LAZARUS

SUBJECT:

Bell and Vance memos seeking statutory exemptions for FBI and Foreign Service from Civil Service Reform Act

The Attorney General and the Secretary of State have requested, on behalf of the FBI and the Foreign Service, respectively, that the administration now announce support for excluding these two entities from the Senior Executive Service and (for the FBI) other provisions of the Civil Service Reform bill. Scotty Campbell opposes both recommendations, and urges that the administration adhere to the position it has taken throughout the hearings and mark-up in both houses of Congress -- that the bill leave the question of exempting these and other entities discretionary with the President.

We recommend that you accept Scotty's advice not to change the administration's position.

The FBI has been exempted from the Senate bill by the Government Affairs Committee and the Foreign Service by a similar action of the Post Office and Civil Service Committee. Although the committees understood that Justice and State supported these exemptions, the administration's formal position was opposed.

As Scotty's memo notes, the main issue here is important — whether the top jobs in particular agencies or units should be closed to talented individuals from outside the unit. Under our legislation, there will be no authority in the Office of Personnel Management or elsewhere to force agency heads to accept senior executives from outside their agency. But agency heads will have the option of looking for talented outside people. While incumbent Foreign Service and FBI executives understandably prefer the status quo we see no persuasive argument for barring future political leaders of the State and Justice Departments from having this option. Public impressions of both entities suggest that some infusion of broader perspectives and experience at the top would be at least as beneficial as with most other similar organizations.

Some additional points are worth noting, also:

- -- SES status would provide political leadership at Justice and State with new tools to motivate senior career FBI and Foreign Service officials, especially the authority to vary financial remuneration, and authority to transfer and demote veterans without appeal rights to the MSPB.
- -- The President and the public ought to have some supervisory check on the personnel management policies and standards of these two entities, through the OPM.
- If the administration formally endorses exemption for the FBI and Foreign Service, other agencies, which can legitimately claim that their specialized expertise is as or more unique than the FBI and the Foreign Service, will be in a strong position to demand the same treatment, and the SES could be further eroded.
- -- I do think a good case can be made for exempting the FBI and Foreign Service on similar grounds to those used to support exemption of the CIA, which was in our original legislation. I think, however, that this is best handled by giving the President discretion to exempt, through administrative action, certain agencies in the national security, the foreign service and the FBI -- particularly the latter -- without opening the whole issue of exemption in this late stage in Congressional deliberation.

DECISION:

Exclude the FBI and Foreign Service from the Senior Executive Service (Bell, Vance)

Maintain present position - give the President authority to exempt FBI and Foreign Service administratively (Eizenstat, Campbell, OMB)

J

THE WHITE HOUSE WASHINGTON

7/17/78

Mr. President:

OMB concurs with Campbell and Eizenstat.

Eizenstat's memo summarizes the issue. Memos from Campbell, Bell and Vance are attached, if you wish to read them.

Rick



UNITED STATES CIVIL SERVICE COMMISSION WASHINGTON, D. C. 20415

July 11, 1978

MEMORANDUM FOR THE PRESIDENT

Within the past 72 hours Secretary Vance and Attorney General Bell have requested that you support amendments to the Civil Service Act to exempt the Foreign Service and Federal Bureau of Investigation from the Senior Executive Service and other portions of the Civil Service Reform Bill. In both cases a statutory exemption is sought even though the bill contains authority for the President to make an exemption if he determines that it is in the public interest.

I hope you will not approve these two requests. There is a fundamental issue at stake here and that is whether the government should continue to wall off certain top executive jobs exclusively for those who grew up in a particular agency or whether the government should make it possible for and encourage its best executives to serve where the country needs them. The Senior Executive Service was designed to encourage mobility and has won wide acceptance among all Departments.

One factor in both agencies is the existence of strong employee organizations which desire to preserve a total independence from the general civil service for their members. Both groups consider that they have superior skills and special competencies developed during their professional careers that no one else can match. Similarly, both see the possibility of people coming in from other agencies as being terribly threatening to their careers. Interestingly, both believe that their members would do outstanding jobs in other agencies. While I understand the feelings and fears involved, I cannot agree that the government's best interests are served by isolating these groups of top executives from the mainstream of government executives.

I recommend that you disapprove a statutory exemption, but advise the Attorney General and Secretary of State that you will consider administrative exemption on the merits after passage of the Civil Service Reform Bill.

ALAN K. CAMPBELL



Office of the Attorney General Washington, A. C. 20530

July 10, 1978

MEMORANDUM TO THE PRESIDENT

I would like to bring to your attention several provisions of the Civil Service Reform Act of 1978, designated House Resolution (HR) 11280, which I believe hold serious consequences for the future effectiveness of the Federal Bureau of Investigation and the Department of Justice.

This measure, as now written, does not exempt the FBI from provisions dealing with Merit Systems Principles, certain functions of the Merit System Protection Board and Office of Personnel Management, the Senior Executive Service, and Research and Demonstration Projects. The measure does exempt the FBI from participation in Labor Management Rela-I believe that to so include the FBI within the purview of these provisions is to ignore the unique responsibilities of the Bureau and the long history of statutory exclusion and authorization afforded it to date. In light of the important duties of the FBI, I strongly believe it must remain free of outside influence to as great a degree as possible in order to efficiently, effectively and impartially perform its mission, much in the same manner of the special status long afforded the General Accounting Office. I would request, therefore, you consider removing the FBI from the purview of certain provisions in this measure to insure that its present status and manpower authorizations remain unchanged.

I further note action has been taken to date to provide other intelligence agencies, specifically the Central Intelligence Agency, Defense Intelligence Agency and the National Security Agency, with statutory exemption to many of the provisions of this measure which I believe would impact most adversely upon the operations and effectiveness of the FBI. As you are aware, the FBI is the sole agency of the United States Government with responsibility for foreign counterintelligence in the domestic United States.

orze

I have been informed that during the markup session on the Senate version of this measure, Senate 2640, that the Civil Service Commission and Office of Management and Budget did not interpose any objection to so excluding the FBI.

I am most appreciative of whatever consideration you may be able to afford this request, as I am genuinely concerned about the future effectiveness of this important agency.

Respectfully,

hi R Beeg

Griffin B. Bell Attorney General

THE SECRETARY OF STATE WASHINGTON

JUly 8, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Cyrus Vance

SUBJECT:

The Foreign Service and the Administration's Personnel

Reorganization Bill

I would like to make a recommendation to you concerning how the Foreign Service is treated in the context of the Administration's personnel Reorganization Bill now being marked up in the House. As you know, the proposed legislation applies to all agencies except the uniformed services, the intelligence agencies, and the FBI, unless by subsequent Executive Order you exempt other presently "excepted services."

I have carefully reviewed the reorganization plan as it would apply to the Department of State and Foreign Service. It offers clear advantages with respect to management of the Civil Service component of the Department. However, my firm conviction is that the Foreign Service should be exempted by legislation from the provisions governing the Senior Executive Service.

It is important to the State Department to have the Foreign Service treated like the military services in the Reorganization Bill. We cannot function effectively if the career patterns of our career officers are divided at a level comparable to captain or colonel so that all officers above that grade are put into a separate organization. To fail to exempt the Foreign Service would jeopardize its long traditions, its discipline, and its requirement for worldwide availability.

Ben Read conveyed my conviction on this matter to Scotty Campbell at the Civil Service Commission. While pointing out that the Administration is trying to keep exceptions to the smallest number possible, Scotty informed Ben that he would fully support an administrative exception for the Foreign Service by Executive Order. However, because such administrative action is revocable at any time, it is too precarious a basis for a career service dependent on making long-term commitments to its employees. I believe that the legislative exemption we seek is preferable, and more fully in consonance with the special status of the Foreign Service as set forth in the Foreign Service Act of 1946.

The American Foreign Service Association, the offically recognized bargaining agent for the Foreign Service, has been active in conveying to the Congress its deep interest in the special status and character of the Foreign Service. The Association is strongly supporting a legislative exemption on the Hill.

Recommendation

That you approve our seeking to have the Foreign Service exempted by legislation from the provisions of the Administration's Personnel Reorganization Bill relating to the Senior Executive Service.

Approve	Disapprove
---------	------------

WASHINGTON Received

Date: 19 September 1978

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

Chairman Alan K. Campbell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Attorney General memo re Civil Service Reform

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

12:00 Noon

DAY:

Thursday

DATE:

21 September 1978

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

___ I concur.

_ No comment.

Please note other comments below:

Su attached remo.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

MEMORANDUM FOR THE PRESIDENT

FROM: ALAN K. CAMPBELL

SUBJECT: The Attorney General's Memo on Treatment of

the FBI in the Civil Service Reform Bill

The Attorney General proposes in his memo that you direct the administration to strongly oppose, in the House-Senate civil service reform conference, two features of the treatment in the House bill of the FBI. I have spoken with Mo Udall about these issues on several occasions, before and after House passage of the bill. My impression is that he may be inclined to accede to the attorney general's position on one issue-coverage of the FBI by Titles I and II specifying merit principles and prohibited personnel practices--though this is not at all certain; but he strongly opposes the Attorney General's position on the second issue--placement of FBI supergrade (SES) positions in the government-wide super-grade pool, rather than giving the FBI statutory authority for its current 140 supergrades. For strategic and substantive reasons, I believe that the administration should defer to Mo on this as we have on substantially all other questions about the bill, and support his position.

As you know, the original Civil Service Reform bill submitted by the administration on March 2 covered the FBI in most of its titles, subject to authority in the President to exempt it or any of its sub-units on the ground that they were involved in the conduct of foreign intelligence or counter-intelligence a memo recommending that you change the administration position and support statutory exclusion of the FBI from the whole bill; I recommend against this change and on July ___ you decided not to make it. Sussequently, however, FBI and Justice Department representatives began to seek support among House members for statutory exclusion, apparently under the impression that you had reversed your July ___ position. Confusion about your position on the merits of the issue could not be cleared up because the Camp David summit was in progress at the time.

Mo Udall discussed the issues with representatives of the Justice Department and with Chairman Rodino of the House Judiciary Committee. The outcome of those conversations was Mo's decision to support statutory exemption of the FBI from nearly all aspects of the Reform Act with the exception of the question of placing FBI super-grade jobs in the general pool. This issue was forced to a vote on the House floor by supporters of the FBI, with Udall leading the opposition to such earmarking, and he won by a very substantial margin on a roll call vote. Udall argued that he had resisted pressure for exclusion of other agencies, some of which are directly under the supervision of his own Interior Committee. He believes, and I share his belief, that the allocation of high-level positions should not be specified in statute, but should be a prerogative of the Executive Branch. He intends to argue this position

strongly in the Civil Service Reform conference. The Attorney General and the FBI, however, are continuing their opposition to the Udall position as indicated in the Attorney General's memo to you.

On the merits of this narrow issue, I agree with Mo's position—as I continue to agree with your earlier decision about the status of the FBI under other provisions of the bill.

There is no substative problem with the FBI, like all other agencies, being allocated high-level positions by the Office of Personnel Management under the direction of the President, nor are there any problems of security being compromised by this system. The Office of Management and Budget regularly reviews the FBI budget under appropriate arrangements, and the Office of Personnel Management can do the same in its allocation of high-level positions. There is no provision in the Bill which would permit the Office of Personnel Management to have any control over the top management structure of the FBI or to affect the authority of the Director of the FBI to make appointments to such positions.

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civil service reform bill is to reclaim the priority-setting tool reflected in supergrade allocations for the President (where it was originally placed years ago, before individual agencies began to lobby their authorizing committees for special treatment).

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But the merits of these issues aside, I believe it would be a serious mistake to counter Mo Udall's wishes on either question. As you know, there have been other issues, some of them considerably more important, on which the administration has differed with Mo, but on which we have deferred to his judgment.

I believe the Administration owes Udall its support. Without his leadership, there would have been no Civil Service Reform Act this session. Further, you have on several occasions indicated to Udall that we would follow his leadership. Udall was quoted in yesterday morning's Washington Post as saying, "...he (the President) has told me 'you're the quaterback' and gave me rather complete authority to make decisions, including some not so pleasing to the Administration." He has made it clear to me that he considers your continued support on this issue important. I believe that we should keep this commitment to Udall.

If you are inclined to support Judge Bell's position,

I strongly recommend that you call Mo to discuss the issue
with him first.

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Civil Service Reform

I believe that the Attorney General and Director Webster have made a strong case for exclusion of the FBI from appropriate provisions of the Civil Service Reform Act. The FBI counterintelligence mission within the U.S. is vital to our national security and has the same uniqueness as the foreign intelligence activities of CIA and NSA which are left untouched by this bill.

ID 784673

THE WHITE HOUSE

WASHINGTON

DATE:

19 SEP 70

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

CHAIRMAN CAMPBELL

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

ANNE WEXLER

JIM MCINTYRE

SUBJECT: ATTORNEY GENERAL MEMO RE CIVIL SERVICE REFORM

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1200 PM THURSDAY 21 SEP 78

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I concur with the position set out by stu and Frank in their memo # to the President 9/22/15

WASHINGTON

DATE:

FOR ACTION: STU EIZENSTAT Stalled

BOB LIPSHUTZ Hockes

CHAIRMAN CAMPBELL

FRANK MOORE (LES FRANCIS) of ZBIG BRZEZINSKI WAS COMMENTED AS COMMENTE

INFO ONLY:

THE VICE PRESIDENT

JACK WATSON

ANNE WEXLER

JIM MCINTYRE

SUBJECT:

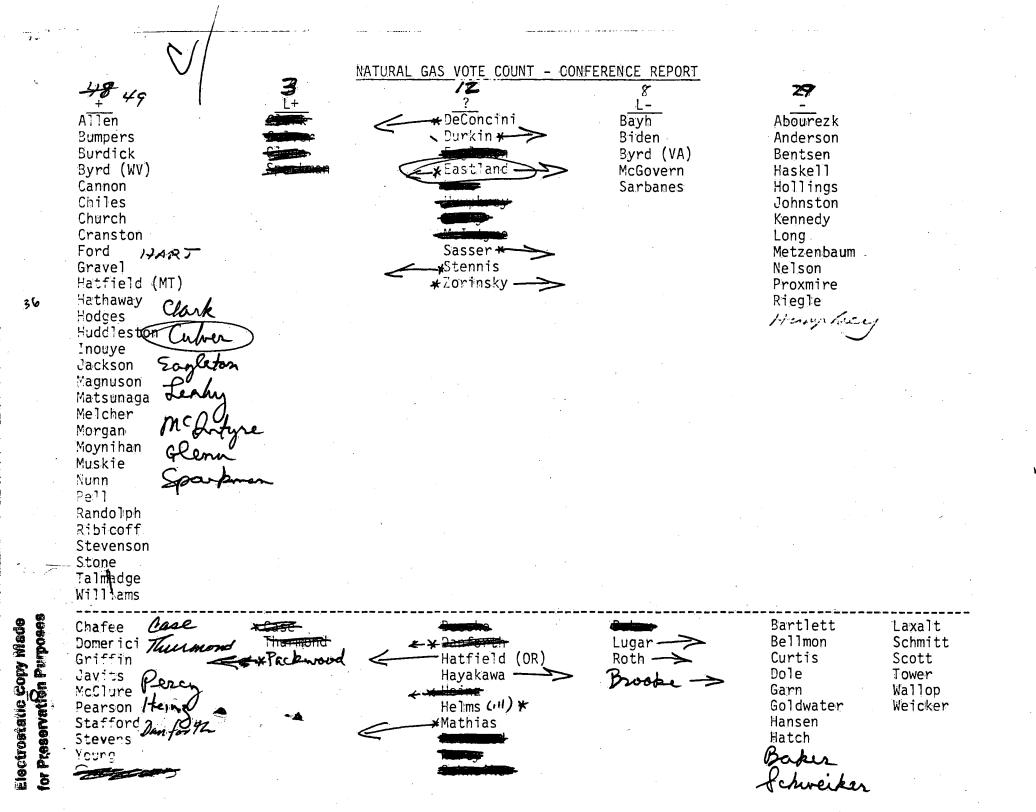
ATTORNEY GENERAL MEMO RE CIVIL SERVICE REFORM

- + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- BY: 1200 PM THURSDAY 21 SEP 78

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



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January, 1978						

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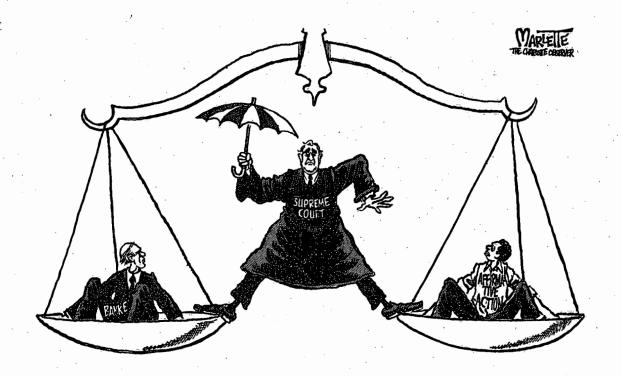
The christian CENTURY

SEPTEMBER 27, 1978



Daniel C. Maguire tells of

The Triumph of Unequal Justice



Rita Gillmon reports on

United Methodists' Pacific Homes: A Church-State Struggle

- Previewing Puebla
- African Ecumenism
- 'Desertification'
- Mother Church

Two years ago I travelled this country promising a government as compassionate and competent as the American people.

OUR PARTY HAS ALWAYS BEEN KNOWN AS THE PARTY OF COMPASSION.

IN THE LAST TWO YEARS WE HAVE PROVEN THAT WE ARE ALSO THE PARTY OF COMPETENCE.

(=over=) (We have proved that the....)

ALONG WITH EFFECTIVE NEW PROGRAS

2

WE HAVE PROVED THAT THE DEMOCRATIC PARTY IS THE PARTY OF FISCAL RESPONSIBILITY.

REPUBLICANS TALK ABOUT TAX CUTS: ... DEMOCRATS MAKE THEM.

REPUBLICANS TALK ABOUT BALANCED BUDGETS -- AND RUN UP HUGE DEFICITS.

DEMOCRATS DRAW UP RESPONSIBLE BUDGETS -- AND CUT BACK INHERITED

REPUBLICAN DEFICITS.

THAT'S WHAT MY ADMINISTRATION HAS DONE. AND, IN ONE MORE YEAR OF RESPONSIBLE ADMINISTRATION,...WE'LL HAVE CUT THE \$60 BILLION BUDGET DEFICIT WE INHERITED FROM THE NIXON-FORD YEARS IN HALF.

(FNEW CARDE) (

7

ANY PERSON LUCKY ENOUGH TO BE PRESIDENT AND SMART ENOUGH TO BE A DEMOCRAT KNOWS HIS SUCCESS IS BASED ON OUR LONG PARTY HISTORY OF GREAT NATIONAL, AND INTERNATIONAL, PURPOSE:

- THE DESIRE TO KEEP U.S. SOUND & STRONG;
- -- THE DESIRE TO ASSURE PEACE AND LIBERTY THROUGHOUT THE WORLD;
- -- THE DESIRE TO HELP THOSE WHO ARE POOR, WEAK AND INARTICULATE;
- -- THE DESIRE FOR STRONG, SUSTAINABLE, ECONOMIC GROWTH;
- -- THE DESIRE TO PROTECT OUR GOD-GIVEN NATURAL BEAUTY,...OUR PURE AIR AND CLEAN WATER;

(=OVER=) (THE DESIRE TO KEEP POWER.....)

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OUR PARTY REACHES OUT TO ALL THE PEOPLE, AND WE BRING THEM INTO OUR HEARTS AND INTO OUR POLITICAL ORGANIZATIONS.

THAT IS THE ESSENCE OF THE DEMOCRATIC PARTY -- THE PARTY OF JEFFERSON,...THE OLDEST, AND THE YOUNGEST, POLITICAL PARTY ON EARTH.

(=NEW CARD=) (THAT'S WHY OUR PARTY....)

5

THAT'S WHY OUR PARTY PRODUCES GREAT LEADERS LIKE MY COLLEAGUES
FRITZ MONDALE, BOB BYRD, TIP O'NEILL, JIM WRIGHT, ALAN CRANSTON, AND
THE REST OF OUR GREAT DEMOCRATIC LEADERSHIP AND COMMITTEE CHAIRMEN AND
CONGRESSMEN AND CONGRESSWOMEN.

OUR PEOPLE WON'T FORGET THE CONGRESS THAT FINALLY ACTED RESPONSIBLY ON ENERGY. GREAT NOTE - SCOOP TACKSON!

OUR CONSUMERS WAN'T FORGET THE CONGRESS THAT INTRODUCED FREE ENTERPRISE TO THE AIRLINE INDUSTRY AND LOWERED PRICES FOR EVERYONE.

(FOVER) (OUR TAXPAYERS WON'T FORGET...,)

6

OUR TAXPAYERS WON'T FORGET THE CONGRESS THAT FINALLY PUT THE WORK ETHIC BACK INTO THE CIVIL SERVICE;...AND WE WON'T FORGET WHAT WE OWE MO UDALL FOR THE MAGNIFICENT LEADERSHIP THAT FINALLY PUT THIS BILL OVER THE TOP.

OUR FARMERS WON'T FORGET THE CONGRESS THAT DELIVERED A RESPONSIBLE AND PRODUCTIVE FARM POLICY.

OUR CITIZENS HAVE A HEALTHY RESPECT FOR THE CONGRESS THAT BIT
THE BULLET ON PANAMA;...THE CONGRESS THAT CAME THROUGH ON THE TOUGH
ARMS-SALE DECISIONS -- DECISIONS THAT HELPED THIS ADMINISTRATION LAY THE
GROUNDWORK FOR PEACE IN THE MIDDLE EAST. AND WE'RE GOING TO HAVE THAT
PEACE __ MAYBE BEFORE TN ANES GUING __ KNESSET

Electrostatic Copy Made for Preservation Purposes THE PEOPLE WON'T FORGET THE CONGRESS THAT HELPED SHORE UP CRUCIAL PARTNERSHIPS WITH OUR HISTORIC ALLIES AROUND THE WORLD.

THEY WON'T FORGET THE CONGRESS THAT WORKED WITH ME TO STRENGTHEN N.A.T.O. AND OUR DEFENSE AROUND THE WORLD.

AND THEY WON'T FORGET THE CONGRESS THAT HELPED RESTORE THE MORAL

AUTHORITY OF THIS NATION.

UNGA - NOT BUT OF TOKES

THREET OF ATTRICES

THESE ARE THE PROMISES I MADE TO THE AMERICAN PEOPLE TWO YEARS AGO. THEY WERE PART OF OUR DEMOCRATIC PLATFORM.

(=OVER=) (TWO YEARS AGO I PROMISED....)

8

Two years ago I promised the American people a responsible government -- a government that was lean, efficient, and manageable -- and that's what we're giving them.

Two years ago I promised the American people that we would get control of our bureaucracy,... restore incentives and the work ethic to our Civil Service system;...Let our managers manage;...get rid of dead wood and bureaucratic bottlenecks;...give our public servants a new vision of dedication and service. And that's what we've done.

(=NEW CARD=) (Two YEARS AGO I TOLD....)

9

TWO YEARS AGO I TOLD THE AMERICAN PEOPLE THAT WE DEMOCRATS
BELIEVED COMPETITION AND MARKET FORCES SHOULD DETERMINE PRICES. AND
WE'VE PROVED WE MEANT WHAT WE SAID WITH THE AIRLINE DEREGULATION BILL.

TWO YEARS AGO I SAID DEMOCRATS BELIEVED IN A FREE ECONOMIC SYSTEM WITH MINIMUM INTRUSION BY GOVERNMENT. AND WE'VE PROVED IT BY ELIMINATING REGULATIONS ALMOST AS FAST AS THE OTHER PARTY USED TO WRITE THEM,...AND REWRITING THE ONES THAT ARE LEFT IN PLAIN ENGLISH.

TWO YEARS AGO I PROMISED TO MAINTAIN OUR NATIONAL SECURITY AND KEEP OUR NATION STRONG. AND WE HAVE DONE THAT. THE DEFENSE ESTABLISHMENT HAS NEVER BEEN SO STRONG.

(=OVER=) (BUT WE'VE DONE MORE THAN....)

BUT WE'VE DONE MORE THAN GUARANTEE OUR SECURITY. WE'VE CUT WASTEFUL MILITARY EXPENDITURES.

WE'VE PUT IN A SUPERB NEW MANAGEMENT TEAM TO HEAD OUR MILITARY ESTABLISHMENT.

We've brought our strategic thinking into the 21st century.

WIRKUG - SALT II , STOP SPREAD OF NUKE WEARLY PROUND THE WORLD.

BUT THAT'S NOT ALL WE'VE DONE.

TWO YEARS AGO I SAID PEACE IS NOT MERELY THE ABSENCE OF WAR. PEACE IS THE UNCEASING EFFORT TO PRESERVE HUMAN RIGHTS. WE HAVE MADE THAT EFFORT.

(=NEW CARD=) (THERE IS NOT A DAY....)

11

THERE IS NOT A DAY WHEN I HAVE BEEN PRESIDENT THAT WE HAVE NOT SOUGHT TO NARROW THE GAP BETWEEN THE VALUES WE HOLD MOST DEAR AS A PEOPLE AND OUR ACTION ABROAD IN THE WORLD.

OUR GOAL IS FREEDOM AND PEACE AND JUSTICE FOR ALL. THAT IS AMERICA'S MOST CHERISHED PURPOSE -- AND WE ARE STRONG IN PURSUIT OF IT.

(=OVER=) (I SAID TWO YEARS AGO THAT....)

12

REMOVE

I SAID TWO YEARS AGO THAT WE WOULD ELEMENATE FRAUD, WASTE AND CORRUPTION IN OUR GOVERNMENT AND WE ARE DOING IT.

NOT OVERNIGHT. IT TOOK A LONG TIME TO CREATE THE MESS WE INHERITED AND WE CAN'T GET RID OF IT IN ONE YEAR. BUT WE'LL GET RID OF IT. YOU CAN DEPEND ON IT.

Two years ago, I promised the American people that we would get CONTROL OF OUR RUNAWAY ENERGY PROBLEM. AND AT LONG LAST WE HAVE THE TOOLS TO DO THE JOB.

TWO YEARS AGO- REVITALIZE LARGEST INCREMES IN HISTORY = > LBJ = HELP MOST. WHO NEED

(Two years ago I said we would,....) (=NEW CARD=)

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Two years ago I said we would act responsible and restore
INTEGRITY TO OUR SOCIE SECURITY SYSTEM. WE HAVE KEPT THAT PROMISE.

TWO YEARS AGO I SAID MY ADMINISTRATION WOULD HAVE AN URBAN FOLICY TO REVITALIZE OUR CITIES THROUGH A "New Partnership" OF LOCAL, STATE AND FEDERAL GOVERNMENT. WE HAVE THAT POLICY.

TWO YEARS AGO I TOLD THE AMERICAN PEOPLE THAT WE HAD TO BRING OUR FEDERAL BUDGET UNDER CONTROL.

THE LAST FULL YEAR BEFORE MY ELECTION, ATHE BUDGET DEFICIT WAS \$66 BILLION.

(=OVER=) (WE CUT THAT DEFICIT TO.....)

14

WE CUT THAT DEFICIT TO \$51 BILLION BILLION BY FIRST YEAR IN OFFICE.

WE'LL GET IT DOWN TO \$40 BILLION THIS YEAR...AND WE ARE GOING TO

CUT IT SIGNIFICANTLY FURTHER NEXT YEAR.

AND WE ARE GOING TO KEEP RIGHT ON CUTTING JUST AS FAST AS THE STRENGTH OF THE ECONOMY PERMITS.

ONE WE KEPT THAT PROMISE. WE KEPT IT WHILE CUTTING UNEMPLOYMENT BY
ONE COLOR OF AND, WITH THE HELP OF THE CONGRESS, WHILE DELIVERING A
TAX CUT OF \$20 BILLION TO THE AMERICAN PEOPLE.

(=NEW CARD=) (THIS IS THE KIND OF FISCAL....)

1

This is the kind of fiscal responsibility the American people deserve -- to meet our people's needs while balancing the nation's books.

OF COURSE DEMOCRATS BELIEVE IN SERVICE,...BUT CAREFULLY-BUDGETED, EFFICIENTLY-DELIVERED SERVICE.

WE CAN CUT CRIME, BUILD ROADS, DELIVER JOBS AND FEED OUR PEOPLE WITHOUT HUGE DEFICITS IF WE GET RID OF WASTE AND BLOAT IN GOVERNMENT.

THIS IS RESPONSIBLE LEADERSHIP. THIS IS SOUND FISCAL POLICY.....
AND THE AMERICAN PEOPLE KNOW IT.

(= over =) (For the FIRST TIME IN....)

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FOR THE FIRST TIME IN POLITICAL HISTORY, LAST MONTH'S GALLUP
POLL SHOWED THAT TWICE AS MANY OF OUR PEOPLE BELIEVE THAT DEMOCRATS

ARE FISCALLY RESPONSIBLE AS BELIEVE REPUBLICANS ARE FISCALLY RESPONSIBLE;

WE ARE GETTING CONTROL OF OUR ENERGY PROBLEMS.

WE ARE GETTING CONTROL OF THE BUREAUCRACY AND BRINGING A NEW EFFICIENCY TO GOVERNMENT.

WE ARE TAKING CONTROL OF FOREIGN AFFAIRS.

OUR NATION IS STRONG AGAIN, ... PROUD AGAIN, ... SECURE IN ITS PLACE
IN THE WORLD.

(=NEW CARD=) (AND WE HAVE MADE A GOOD....)

17

AND WE HAVE MADE A GOOD START ON THE MOST DIFFICULT TASK OF ALL: SOLVING OUR ECONOMIC PROBLEMS, IN THE AREAS OF UNEMPLOYMENT AND BUDGET DEFICITS.

NOW IT'S TIME TO PUT ALL OUR ENERGY INTO SOLVING THE MOST INTRACTABLE AND CORROSIVE PROBLEM WE FACE -- INFLATION.

INFLATION HURTS EVERY ONE OF US,...NOT JUST THE POOR,...NOT JUST THE ELDERLY.

VERY SOON I WILL ANNOUNCE A NEW PACKAGE OF ANTI-INFLATION MEASURES.

THEY WILL BE TOUGH,...THEY WILL REQUIRE SACRIFICE -- FROM BUSINESS,

FROM LABOR, FROM EVERY SEGMENT OF OUR SOCIETY.

(=OVER=) (THEY WILL BE TOUGH,...BUT....)

12

THEY WILL BE TOUGH, ... BUT THEY WILL BE FAIR.

CONGRESS/ADMIN SET EXAMPLE =

LAST YEAR I URGED THE CONGRESS TO HELP FIGHT THIS BATTLE.

THE BEST BIRTHDAY PRESENT I COULD GET FROM THE CONGRESS IS ACTION ON HOSPITAL COST CONTAINMENT.

THIS IS HOW THE CONGRESS CAN SHOW ITS DETERMINATION TO JOIN THE FIGHT AGAINST INFLATION.

THIS IS THE MOST PRESSING OF THE HUNDREDS OF LARGE AND SMALL RESTRAINS THAT ARE NECESSARY TO WIN THIS BATTLE.

(=NEW CARD=) (THIS IS THE FUTURE OF....)

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This is the future of our Democratic Party -- a future in which we maintain our vision while governing with prudgence and responsibility.

I AM PROUD OF WHAT WE HAVE ACHIEVED IN THE PAST YEAR-AND-A-HALF.

I AM PROUD OF THE GROUNDWORK WE HAVE LAID FOR FUTURE

ACHIEVEMENT.

But there is more to do if the United States is to realize

THE FULL PROMISE OF OUR PEOPLE.

(=0ver=) (We cannot rest on....)

20

WE CANNOT REST ON PAST ACHIEVEMENT. WE CANNOT BE COMPLACENT. WE HAVE WORK TO DO.

AT DEMOCRATE. AS AMERICANS.

TRITZ OF ALL THE WITTY, CLEVER, INTEL INTRODUCTIONS

INC HEARD - YOURS IS THE MOST RECENT
INCISIVE

MA CALL - IS ANWARD SADAT MARRIED? = WHITE

MA CALL - IS ANWARD SADAT MARRIED? = LIE

STRAISS - LOT WRITTEN. THIS AM. I READ. BEST POLIT.

STRAISS - LOT WRITTEN. THIS AM. I READ. BEST POLIT.

TROUBLE SHOOTER - LEAST APPRECIATED - ECON INTEL.

TROUBLE SHOOTER - LEAST APPROVE - SHAPE BOBS MEMO

PERSONAL SAVOIR - FAIRE - SHAPPOWS SOME THING TO EAT

HHAT OATS TO HORSE - SHAPPOWS SOME THING TO EAT

BILLY - GAS STATION - FORTINE JOO

GREAT A ALL OVER ---

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